



North Dakota Legislative Council

Prepared for the Legislative Procedure and Arrangements Committee

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September 2020

LEGISLATIVE COMPENSATION ADJUSTMENT PROCESS

North Dakota Century Code Section 54-03-20(9) requires the Legislative Management, prior to each regular legislative session, to make recommendations and submit any necessary legislation to adjust legislative compensation amounts.

COMMITTEE RESPONSIBILITY

Beginning with the 2011-12 interim, the Legislative Procedure and Arrangements Committee has provided input on legislative compensation amounts to include in the legislative branch appropriation bill.

CURRENT COMPENSATION LEVELS

The following are the current levels of legislative compensation and expense reimbursement:

- Monthly pay - \$518.
- Leaders and the Chairman of the Legislative Management additional monthly pay - \$371.
- Daily session pay - \$186.
- Daily interim meeting pay - \$186.
- Session lodging expense - Actual expense up to 90 percent of the rate established by the federal General Services Administration for lodging reimbursement in the state plus tax per calendar day up to 30 times 70 percent of the state daily lodging expense reimbursement rate per month for legislators who reside outside Bismarck and Mandan (currently \$86.40 plus tax per calendar day up to \$1,814 per month).
- Interim lodging expense - Actual expense up to 90 percent of the rate established by the federal General Services Administration for lodging reimbursement in the state plus tax (currently \$86.40 plus tax). This reimbursement rate also applies to state employees.
- Mileage expense - Federal mileage reimbursement rate per mile by motor vehicle (currently 57.5 cents per mile), 18 cents per mile by motor vehicle 300 miles beyond the state border, and 1.5 times the in-state mileage reimbursement rate per mile by private airplane. These reimbursement rates also apply to state employees.
- Interim meals expense - Up to \$35 per day in state--the federal per diem meals rate for out of state. This reimbursement rate also applies to state employees.
- Additional daily compensation for leaders and committee chairmen ranging from \$5 to \$15.

POTENTIAL 2021-23 FUNDING AND STATUTORY CHANGES

The Legislative Assembly in 2007, 2009, 2011, 2013, 2015, 2017 and 2019 changed legislative pay by the same percentage as it did for state employee general salary increases. Also, since 2012, the Legislative Procedure and Arrangements Committee has been recommending legislative pay be adjusted by the same percentage as recommended in the executive budget for state employee salary increases. Since the executive budget recommendation for the percentage change for state employees' salaries will not be known until the executive budget is released in December 2020, determination needs to be made as to what to include in the Legislative Assembly budget request.

Below are three options for consideration for 2021-23 biennium adjustments to legislative compensation. Funding to provide for the selected increases would be included in the Legislative Assembly budget request submitted to the Office of Management and Budget in early November. The related statutory changes will be included in the draft legislative branch appropriation bill submitted for consideration to the Appropriations Committees. No changes are being proposed for travel expense reimbursement levels that apply to legislators as well as state employees.

The following chart shows the potential legislative compensation changes based on 1 percent 1st year and 1 percent 2nd year increases and the estimated cost of these increases for the 2021-23 biennium:

| | Current Rate | Rate Effective July 1, 2021 | Rate Effective July 1, 2022 | Estimated Cost 2021-23 Biennium |
|---------------------------------|---------------------|------------------------------------|------------------------------------|--|
| Monthly pay | \$518 | \$523 | \$528 | \$27,322 |
| Daily session pay | \$186 | \$188 | \$190 | 70,429 |
| Interim meeting pay | \$186 | \$188 | \$190 | 9,905 |
| Leaders' additional monthly pay | \$371 | \$375 | \$379 | 775 |
| Total | | | | \$108,431 |

The following chart shows the potential legislative compensation changes based on 2 percent 1st year and 2 percent 2nd year increases and the estimated cost of these increases for the 2021-23 biennium:

| | Current Rate | Rate Effective July 1, 2021 | Rate Effective July 1, 2022 | Estimated Cost 2021-23 Biennium |
|---------------------------------|---------------------|------------------------------------|------------------------------------|--|
| Monthly pay | \$518 | \$528 | \$539 | \$56,465 |
| Daily session pay | \$186 | \$190 | \$194 | 140,858 |
| Interim meeting pay | \$186 | \$190 | \$194 | 23,490 |
| Leaders' additional monthly pay | \$371 | \$378 | \$386 | 1,421 |
| Total | | | | \$222,234 |

The following chart shows the potential legislative compensation changes based on 3 percent 1st year and 3 percent 2nd year increases and the estimated cost of these increases for the 2021-23 biennium:

| | Current Rate | Rate Effective July 1, 2021 | Rate Effective July 1, 2022 | Estimated Cost 2021-23 Biennium |
|---------------------------------|---------------------|------------------------------------|------------------------------------|--|
| Monthly pay | \$518 | \$534 | \$550 | \$87,429 |
| Daily session pay | \$186 | \$192 | \$198 | 211,287 |
| Interim meeting pay | \$186 | \$192 | \$198 | 33,564 |
| Leaders' additional monthly pay | \$371 | \$382 | \$393 | 2,131 |
| Total | | | | \$334,411 |